

Old Age, Disability, Death

First law: 1956 (implemented 1959).
 Current laws: 1996 (private insurance, implemented in 1997).
 Type of program: Mandatory private insurance system.
Exchange rate: U.S.\$1.00 equals 5.62 bolivianos (Bs).

Note: In mid-1997 the social insurance system was closed. A new mandatory privatized system took its place. Recognition bond provided for past contributions under the old system that will be paid as part of the pension.

Coverage

All workers. Voluntary coverage for self-employed.

Source of Funds

Insured person: 10% of earnings for retirement plus 2.5% for disability and survivors insurance and administrative fee.
Employer: 2% of payroll for disability.
Government: Payment of pensions under the old social insurance system and social assistance under new privatized system.
 Maximum earnings for contribution purposes: 60 times the national minimum wage.

Qualifying Conditions

Old-age pension: Age 65 or when accumulated savings and interest permit benefit of at least 70% of average of last 5 years' covered earnings.
Disability pension: Less than age 65 and between 18 months and 5 years of contributions.
Survivor pension: Deceased was insured.

Old-Age Benefits

Old-age pension: Insured's contributions plus accrued interest. Purchase fixed or variable annuity.
 Social assistance benefit (*bonosol*): paid at age 65 to those over age 21 at time of implementation of program. For the first five years of operation, equal to \$248 per year; after that, adjusted every three years by Superintendent of Pensions.

Permanent Disability Benefits

Disability pension: 70% of average salary during last 5 years. If contributions between 18 months and 5 years, benefit based on average of last 12 months. Additional 10% of last monthly salary made to old-age pension account of disabled employee younger than age 65 with at least 18 months of contributions in the last 36 months. Benefit payable until age 65 when eligibility for old-age pension begins.

Survivor Benefits

Survivor pension: Proceeds of deceased's account plus accrued interest. Payable to spouse, dependents, parents or siblings. Minimum, 70% of average of last 5 years' earnings or at least 18 months of contributions made for between 18 months and 5 years. Widow, 80% of insured's pension; orphans, 20% to each dependent child.
 Funeral grant: Bs1,100.

Administrative Organization

System of Financial Regulation, financial supervision of program.
 Superintendent of Pensions, administration of program.
 Insurance companies, payment of benefits.

Sickness and Maternity

First law: 1949.
 Current law: 1987.
 Type of program: Social insurance system. Cash and medical benefits.

Coverage

All workers. Voluntary coverage for self-employed. Health insurance for those over age 60.

Source of Funds

Insured person: None. (Pensioners, 5% of pension).
Employer: 10% of payroll.
Government: None.
 Above contributions also finance temporary work-injury benefits.

Qualifying Conditions

Cash sickness benefits: 2 contributions prior to illness.
Medical benefits: 1 month of contribution in preceding 2 months.
Maternity benefits (cash and medical): 4 months of contribution prior to pregnancy.

Sickness and Maternity Benefits

Sickness benefit: 75% of earnings. Payable after 3-day waiting period for up to 26 weeks. May be extended to 52 weeks if medical assistance will prevent permanent disability.
Maternity benefit: 95% of earnings. Payable for up to 45 days before and 45 days after confinement to female worker or spouse.
 Nursing and prenatal allowances: See family allowances, below.

Workers' Medical Benefits

Medical benefits: Medical services includes general and specialist care, preventive care, diagnostic services, surgery, hospitalization, and medicines.

Dependents' Medical Benefits

Medical benefits for dependents: Same as for insured worker.

Administrative Organization

National Health Fund, administration of program.

Work Injury

First law: 1924.
 Current laws: 1987 and 1996 (implemented 1997).
 Type of program: Social insurance system.

Coverage

All workers.

Source of Funds

Insured person: None.

Employer: 2% of payroll.

Government: None.

Qualifying Conditions

Work-injury benefits: No minimum qualifying period.

Temporary Disability Benefits

Temporary disability benefit: Payable under cash sickness and maternity insurance, above.

Permanent Disability Benefits

Permanent disability pension: 70% of average salary during last 5 years. If the disability is 25% or greater, monthly benefit equal to insured's base salary times the degree of disability. For a disability between 10% and 25%, a lump sum is paid.

Workers' Medical Benefits

Medical benefits: Necessary medical, surgical, hospitalization, medicines, appliances, and rehabilitation.

Survivor Benefits

Survivor pension: See Old Age, Disability, Death, above.

Administrative Organization

Medical benefits: See Sickness and Maternity, above.

Disability and survivors benefits: See Old Age, Disability, Death, above.

Family head must be currently working more than 15 days a month.

Family Allowance Benefits

Family allowances: Monthly allowance for each child. Housing allowance for single or married workers.

Prenatal grant: Milk and cash benefit from the 5th month of pregnancy.

Birth grant: 1 national monthly minimum wage per child.

Nursing allowance: Monthly milk allowance for each child for 12 months following birth (paid in kind).

Burial allowance: 1 national monthly minimum wage per child under age 19.

Administrative Organization

Ministry of Housing and Economic Development, general supervision.

National Secretariat of Pensions, through National Institute of Pensions, administration of program.

Employer pays allowances for single and married adults directly to own employees.

Unemployment

(Labor law requires employer to grant severance pay to dismissed employees. Unemployed workers receive medical and maternity benefits for 2 months following dismissal.)

Family Allowances

First law: 1953.

Current law: 1956 (implemented 1959) and 1987.

Type of program: Employment-related system.

Coverage

All workers. Special systems for bank employees, military personnel, drivers, miners, railroad employees, petroleum workers, and other groups.

Source of Funds

Insured person: None.

Employer: Total cost.

Government: None.

Qualifying Conditions

Family allowances: Child must be between age 1 (when nursing allowance ceases) and 19 (no limit if disabled).

Housing allowances payable to both married couples and single persons, with or without children.